EXECUTIVE DIRECTOR'S REPORT TO THE COLORADO RIVER BOARD OF CALIFORNIA

December 12, 2016

ADMINISTRATION

Minutes of the November 9, 2016 Meeting of the Colorado River Board

A draft of the Minutes from the Board meeting held on November 9, 2016 has been circulated for review.

Approval of the 2017 Colorado River Board meeting schedule

A draft schedule of Board meetings for 2017 was discussed during the November 9 Board meeting. The Board's Rules and Regulations provide that the Board's regular meetings shall be held on the first Wednesday after the second Tuesday of each month. An attempt has been made to coordinate proposed meeting dates with relevant conferences, such as the Urban Water Institute in February and ACWA in May, and to provide opportunities for three "field trips" to the Palo Verde Irrigation District's PVER properties, a coastal region location, and the Yuma area. Adoption of the final Board schedule will occur during the December 14 Board meeting.

COLORADO RIVER BASIN WATER REPORT

During the Board meeting on December 14, CRB staff will present a brief overview of the prior year's hydrology and projections for 2017. As of November 28, 2016, the water level at Lake Mead was at 1,077.15 feet with 9.78 million acre-feet of storage, and has remained at 37% of capacity. The water level at Lake Powell was as 3,605.98 feet with 12.3 million acre-feet of storage, or 51% of capacity. As of November 27, 2016, the total system storage was at 29.67 million acre-feet, and has remained at 50% of capacity, but is 280,000 acre-feet less than where the system storage was at this time last year. As of December 4, 2016, the Upper Colorado River basin reservoirs other than Lake Powell ranged from 67% of capacity at Fontenelle and 85% of capacity at Flaming Gorge in Wyoming, 92% of capacity at Morrow Point, 72% of capacity at Blue Mesa in Colorado and 76% of capacity at Navajo, in New Mexico.

On November 15, 2016, the Colorado Basin River Forecast Center (CBRFC) held its annual Year-in-Review/ Verification Webinar for WY 2016 to review and compare the 2016 forecasted April – July runoff values with the 2016 observed April – July runoff values in the Upper Basin (and between January – May in the Lower Basin). Overall, the CBRFC forecasts performed well throughout much of the Basin except that anticipated wet El Nino conditions in the Lower Basin did not materialize. An Early Season Outlook Briefing is scheduled for December 13, 2016, and the next Colorado River Basin Water Supply Briefing is scheduled for January 9, 2017. The Forecast Center's website has information about registering to join the briefings and general conditions throughout the Basin at: http://www.cbrfc.noaa.gov.

On November 7, 2016, the Southern Nevada Water Authority hosted the second planning meeting to develop a symposium and technical workshop to discuss current and on-going climate

science research in the Colorado River Basin. The planning group reviewed potential research topics including investigating the changes in modeled climate variability at multiple time scales, modeling runoff under climate change and improving the understanding of surface water, groundwater and land cover interaction. The goals of the symposium and technical workshop would be to facilitate a dialogue among Colorado River stakeholders and climate science researchers, share information on the latest research projects and findings, and inform and advance climate science research initiatives in the Colorado River Basin to support information and planning needs. The next planning meeting will be scheduled for early January 2017.

The Bureau of Reclamation has posted the final draft of the 2017 Annual Operating Plan and the Secretary of the Interior is expected to approve the plan prior to January 1. It can be found at: http://www.usbr.gov/uc/water/rsvrs/ops/aop/2017AOP_2016-11-14_post-final%20Consultation%20draft.pdf

COLORADO RIVER BASIN PROGRAM REPORTS

Basin States Drought Contingency Planning

Discussions have continued within each of the Lower Basin States to review the concepts developed among the Lower Basin States and Reclamation for a Drought Contingency Plan to encourage more water savings and storage in Lake Mead in order to decrease the likelihood that Lake Mead will drop below elevation 1,020 and to add flexibility and certainty for operations at lower reservoir levels. The new contingency plan would supplement the existing 2007 Interim Guidelines for the Coordinated Operation of Lake Mead and Lake Powell through 2026.

Details regarding the Drought Contingency Plan's initial concepts have been reviewed in prior meetings and have not changed over the past several months. Intra-state implementation agreements are still under development within each of the three States. The California parties have continued to recognize that ongoing issues relating to operations in the Bay-Delta and planning and restoration efforts at the Salton Sea continue in parallel along with the Colorado River drought contingency planning efforts.

Colorado River Basin Water Supply and Demand Study

During 2016 Reclamation has been working closely with the Colorado River Ten Tribes Partnership to develop a Tribal Water Study to parallel the Colorado River Basin Water Supply and Demand Study completed in 2012. The Tribal Study began in 2014 and is being conducted jointly by Reclamation and the Ten Tribes Partnership and has not included any input from the Basin States. The objectives of the Tribal Study are to assess current and future water use, system impacts resulting from use and development of tribal water, and identification of water development challenges and opportunities to build on the original Colorado River Basin Study.

A final version of the Tribal Study is scheduled to be completed in early 2017, and although drafts of the Tribal Study have not yet been issued to the Basin States or the public, a presentation regarding the Tribal Study is planned during one of the CRWUA panel sessions. Reclamation has reported that the Tribal Study is being conducted in five phases. Phase 1 assesses the current tribal water use in four sectors, which includes irrigated agriculture and livestock; domestic, commercial, municipal, and industrial; environmental, cultural, and recreational; and

transfers, leases, and exchanges. Phase 2 evaluates future Tribal water development, examining a range of water demand and supply scenarios. Phase 3 assesses the potential impacts to the system associated with various tribal water development scenarios. Phase 4 identifies and evaluates opportunities and challenges related to future use and/or development of tribal water. Phase 5 is the preparation and production of the final report.

Colorado River Basin Salinity Control Program

The Salinity Control Forum and Advisory Council met on October 26-27 in Moab, Utah, with a focus on a tour of the Paradox Valley Unit and a review of the ongoing EIS process to evaluate salt disposal alternatives to the existing extraction and injection processes. The Forum's technical Workgroup is beginning the process of developing the 2017 Triennial Review that sets the salinity control standards for the program for the next three years. The next Forum and Advisory Committee meetings will be held in Wyoming during early June 2017.

Status of the implementation of Minute 319 and negotiation of Minute 32x

The bi-national negotiating group that is evaluating options for the potential successor to Minute 319 met on November 7-9 in San Diego and December 1-2 in Juarez, Mexico to continue discussion of potential items to include in the next Minute. The negotiations with Mexico regarding a new Minute have sped up over the past month with the potential goal of finalizing Minute 32x before the current Federal team leaves office next month. A draft of Minute 32x has been developed using input from binational workgroups on Hydrology, Salinity, Flow Variability, Environmental Flows, Binational Projects, and the All-American Canal Turnout. As with Minute 319, the IBWC and DOI recognize that they cannot enter into a new Minute or implement a new Minute without the concurrence of the Basin States and the Lower Basin water agencies. Board action approving the necessary domestic implementing agreements would need to take place during the first half of January in order for the Minute to be finalized during the current federal administration's tenure. Pursuant to a statutory provision in Arizona, the Arizona legislature must also take action to approve Minute 32x.

The basic elements of the new proposed Minute 32x would extend many of the provisions of Minute 319 through 2026. The three basic elements are: (1) provisions that address operational issues such as shortages and surplus flows, salinity calculations and delivery flow variability on a day by day basis; (2) the opportunity for US investments in conservation projects to generate water savings; and (3) a Mexican environmental flows program. As has been previously discussed, Minute 32x would include a new provision to establish a Binational Water Scarcity Plan that would become effective contingent on the approval of a Lower Basin Drought Contingency Plan.

Several steps still need to be completed to finalize the draft Minute 32x and the domestic implementation agreements that would be necessary to effectuate a new Minute 32x. The domestic implementation agreements would be largely based on the agreements that had been finalized for Minute 319: (1) an Interim Operating Agreement that would ensure the binational water deliveries are made in accordance with the provisions of the Minute; (2) a Contributed Funds Agreement; (3) Delivery Agreements for the entities that may be providing funds toward the binational projects and receiving the Binational ICS water; (4) Forbearance Agreements to allow for the creation and storage of the Mexican Stored Water and the Binational ICS; and (5) a Memorandum of Agreement among the Basin States, Lower Basin agencies, DOI and the IBWC.

Status of the Glen Canyon Dam Adaptive Management Program and Long-Term Experimental and Management Plan

The Secretary of the Interior is expected to sign the Record of Decision for the Long-Term and Experimental Management Plan (LTEMP) Final EIS during the week of December 12. As has been summarized in prior updates for the Board, the LTEMP will guide Glen Canyon Dam operations for the next twenty years and includes experimental activities meant to benefit downstream resources such as endangered fish, beaches used by rafters, and historic cultural sites, while maintaining water supply requirements, hydropower production and otherwise complying with the Law of the River. The preferred alternative includes a decision-making framework to include stakeholders in the process of determining which scientific experimental actions are carried Final out anv given The LTEMP **EIS** found http://ltempeis.anl.gov/documents/final-eis/. Additionally, a Science Plan is currently expected to be released within 30 days of the ROD and will include details on the expected monitoring that will accompany the actions included in the LTEMP EIS.

The Fish and Wildlife Service will issue a Biological Opinion to accompany the LTEMP EIS ROD, that identifies new and ongoing conservation measures required for the protection of threatened and endangered species found in the area, including the humpback chub, razorback sucker, and Kanab ambersnail. These conservation measures closely track the proposed activities in the LTEMP EIS. A draft Biological Opinion concludes that the action contemplated in the LTEMP EIS is not expected to result in destruction or adverse modification of critical habitat or jeopardize the continued existence of these species.

An informal report on the High Flow Experiment (HFE) carried out at Glen Canyon Dam in early November - https://www.doi.gov/pressreleases/high-flow-experiment-underway-glen-canyon-dam-simulates-natural-flooding-through-grand - concluded that the experiment had been carried out as planned and confirmed that concerns regarding the invasive green sunfish recently found below Glen Canyon Dam had been sufficiently addressed prior to conducting the HFE. Preliminary results on the effect of this HFE on sediment, Grand Canyon beaches, and aquatic resources will be available in January.

The Technical Work Group will meet on January 24-26, 2017 for the Annual Reporting meeting, which will summarize the previous year's research and review the status of the various resources monitored by the program.

Status of the Lower Colorado River Multi-Species Conservation Program

The LCR MSCP will hold its annual Colorado River Aquatic Biologists meeting January 4-5, 2017, and its Colorado River Terrestrial and Riparian meeting January 24-27, 2017, both in Laughlin, Nevada. These meetings provide researchers with an opportunity to share their latest monitoring and research information with stakeholders and researchers across the basin.

ANNOUNCEMENTS

- (a) On November 15, 2016, the State Water Resources Control Board held a Workshop Regarding the Status of the Salton Sea Management Program and heard testimony from the California Resources Agency, local constituents including IID, environmental organizations and members of the public. During the workshop, Bruce Wilcox indicated that the State was in the process of developing a 10-year plan that is planned to be issued prior to the end of the year. IID's testimony stressed the connection between the current Salton Sea proceedings and the Colorado River Basin Drought Contingency Plan. More information regarding the Salton Sea Management Program can be found at: http://resources.ca.gov/salton-sea/.
- (b) Regarding recent developments in Washington, DC, as of the preparation of this report on December 12, there has not been an official announcement regarding the nominees selected to be the Secretary of the Interior, the Secretary of Agriculture or the Secretary of State. Each of those agencies' programs has a particular impact on Colorado River Basin activities and the nomination and confirmation process will be followed closely.

On December 9-10, a Continuing Resolution was passed by Congress and signed by President Obama to continue funding for the federal government through April 28, 2017. The CR continues the same level of funding for the federal agencies that was in place last year.

Also on December 9, the Senate approved the "Water Infrastructure Improvements for the Nation Act," that combined the Water Resources Development Act, a bill that had support from several House and Senate members, California-centric drought provisions that were the source of disputes among California's delegation members, and several other water-related provisions such as \$515 million for the authorization of storage, recycling, reuse and desalination projects, authorization of \$30 million for design and construction of desalination projects, \$100 million in increased authorization for WaterSMART programs, including \$50 million for water supply and conservation activities within the Colorado River Basin, and \$50 million for water recycling through a new Title XVI grant program that removes the Congressional authorization requirement for new water recycling projects, and a \$335 million authorization for storage and groundwater projects. The bill also includes provisions relating to the Salton Sea.

- Reclamation has recently issued additional WaterSMART Grants announcements. Funding opportunities are available for water and energy efficiency projects and small-scale efficiency projects, with project proposals due January 2017: 18, https://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=57320. Funding also available for drought contingency planning and drought resiliency projects, with project proposals due February 14, 2017: https://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=57256
- (d) The Colorado River Water Users Association meeting will be held on December 14-16, 2016 in Las Vegas, Nevada. Chairman Fisher will serve as the CRWUA president for the next two years. CRB staff assisted with the development of the program and preparation of a video that will be presented during the program.

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